II

APPOINTMENT OF CHAIRMAN FOR SELECT COMMITTEE ON DISTRICT MUNICIPALITIES AMENDMENT BILLS.

The hon. the PRESIDENT :—" In respect of the Bills of Mr. A. Kaleswara Rao and Mr. P. Anjaneyulu respectively, I appoint Diwan Bahadur S. Kumaraswami Reddiyar as Chairman of the Select Committee." 12 noon.

The Council will now take up the resolution of Mr. Bheemayya.

III

RESOLUTIONS ON MATTERS OF GENERAL PUBLIC INTEREST.

APPOINTMENT OF A COMMITTEE TO ENQUIRE INTO THE ECONOMIC CONDITION OF KISTNA, GODAVARI EAST AND GODAVARI WEST.

Mr. G. HARISARVOTTAMA RAO :—" Mr. President, Sir, at this stage, I should like to put my case with regard to the necessity of enquiring into the economic conditions of the tract where resettlement is proposed. The Special Settlement officer in making recommendations for rates in the uplands and the dry lands has brushed aside this question by a remark which shows the mentality of the officer. He says that any readjustment is only a matter of annas. Well, Sir, this country has been proved to be proverbially poor, and if the Godavari and Kistna districts appear as a somewhat green patch upon the map of the Andhra districts, they are not certainly above normal and there are a large number of poor ryots even in those districts. The voters' list of those districts which consists of only tens of thousands of people on the basis of an assessment of ten rupees is positive proof that to a large number of people in those districts annas do count. This kind of argument that annas do not count has been elsewhere also adduced. It was adduced when we talked of the taxation on salt. It was adduced when we talked of duties. It is adduced in all conceivable places, and we are told that we have to pay annas, annas and annas, which all make up rupees, hundreds, thousands, lakhs and crores.

" Now, Sir, my second reason why I want this enquiry into the economic conditions in this tract is that the Government itself has recognized that as a basis for resettlement economic conditions have to be examined. The Special Settlement Officer has devoted a whole chapter, chapter 4, to discussing the economic condition of the area he treats, and he has devoted 30 pages to this question out of a report covering 75 pages. And that is a very good justification for me to urge that before you have made a real and proper economic survey of the tract through proper channels and by a proper agency it is not right that you should impose resettlement rates upon that tract. Increase of population in the tract is not of much account to the Settlement officer. Agriculture which is the only occupation of the people and the absence of other occupations is of no concern to him. Increase of the standard of living which has been brought into this country by foreign contact, increase to an extent which was not dreamt of twenty or thirty years ago, increase which must be rated at four or five times what it was when the last settlement took place is not taken into consideration. No family budgets have been examined. There is an examination of the holdings. But an examination of the holdings in relation to the increase of population is not at all made. When we come to cultivation expenses, what is taken into account is the expenditure upon Government farms. We do not know how the figures are arrived at there,

[Mr. G. Harisarvottama Rao] [28th November 1928

but the cultivation expenses of the ryots of the Godavari and Kistna districts has been put at Rs. 35 an acre. To my mind, Sir, that is a very low estimate and it requires a thorough revision. Again it is urged, as a big argument in favour of resettlement, that paddy cultivation has expanded immensely and therefore, the tract must bear resettlement rates. But on the other side consideration is not given to the point that paddy has driven out other necessary crops and therefore the ryot has to suffer in getting these other necessaries, because he has to pay much more for them than he used to. And then whenever the land values and the lease values are examined the Settlement officer always lays emphasis upon the money values of these things. But to the ryot the money is not a big consideration in regard to his economic condition. Really he lives upon what he produces on the land. The question whether the land is producing more than it produced at the last resettlement is the question that has to be taken into consideration but not the fact that the produce fetches a little more money in money value. Moreover the question of the sale value of land is clouded by this issue. There is a rush for land in this country. No other occupation can be found for the people and every one wants to live on the land and therefore there is an exorbitant rise in the value of land, but the relative outturn is very limited. I know as a matter of fact in the West Godavari district land that fetches Rs. 2,000 per acre in money value, yields only Rs. 50 a year in the form of return to the owner. Therefore to argue from the rise of prices of land is fallacious.

"I shall now examine the report point by point. I won't deal with all the points as I have not the time to do so. But I shall deal with a few points that the Special officer has examined. He has laid great stress upon the expansion of irrigation area to 'soudu' and 'parra' by means of pumping installations. That only shows that there is so much of struggle for life. What does this show except the struggle for life? It is a truth which is applicable for the whole Presidency, not to the Godavari and Kistna districts only. It shows that people are driven to cultivation, to the poorest sort of agriculture, because they get no living otherwise. Then, the agricultural population is dealt with by the Special Settlement officer. He therein admits that the returns may not be absolutely reliable, but yet he says that they are suggestive. He jumps to the conclusion that the agriculturist is holding his own because he finds that there is an increase of 1 per cent in non-cultivating owners, an increase of 2 per cent in tenants, of 2 per cent in cultivating landowners, of 30 per cent in Godavari of cultivating landowners, of 10 per cent in the cultivating landowners in Kistna, and minus 60 per cent in tenants in the Godavari district. There is minus 60 per cent of labourers in the Godavari and Kistna districts. That means that labour has become scarce, and people who have got to make a living upon land have to pay much more than before for labour owing to the shortage of labour. The Special officer wants to prove by all this that the agricultural classes are not losing hold through poverty or indebtedness. His examination of indebtedness is certainly amazing and his remarks on the subject deserve careful attention. I shall not go into the many details but to one statement therein. He says that for loans secured on land the rate of interest is 9 to 12 per cent on immovable property 12 to 15 per cent, or even 18 per cent on unsecured loans. He says these are not the rates of interest ruling in a bankrupt country. I do not know if England is bankrupt with 5 per cent interest, but here we have 18 per cent interest, and this rate of interest is claimed as

connoting prosperity. Certainly it connotes, if at all it connotes anything, the absolute poverty of the people and the absolute need that there is for capital and for investment. And then he analyses the rail-borne traffic, and he arrives at some figures for passenger traffic, and says that there is an increase of 68 per cent in the inward traffic and 70 per cent outward. As regards goods traffic the increase is 25 per cent inward and 55 per cent outward. Well, Sir, this is not a very big increase considering the fact that thirty years of progress has taken place in the country and year by year man has been adding to his labour on the land because he cannot get labour elsewhere. But the Special officer again turns round and says that railway returns are subject to many extraneous influences and we cannot press conclusions too closely. He talks of sea-borne trade but he excludes the port of Bandar. He finds that it has decayed and therefore his conclusion is that we need not take into consideration that port. He says that the decay of the port of Bandar happened on account of special circumstances. Then he thinks of exports and imports. He says imports have risen from 41 to 53 lakhs and exports from 90 to 148 lakhs. And here he does not enter into the question of the relative value of the rupee at the last settlement and at this settlement. The figures are very credulously swallowed by the Special officer to make out that this area is grandly progressive under British rule. And then so far as the agricultural outturn of the tract is concerned, he takes the Kistna delta into account but this delta is not separate from parts of Guntur. He says that the increase is 37 per cent. When we go to Godavari, he says the increase is only 5 per cent. It is not known why there is such disparity between the Godavari figure and the Kistna figure. Then we come to cattle and sheep. Cattle and sheep have decreased . . ."

The hon. the PRESIDENT :—" The hon. Member has come almost to the end of his time-limit."

* Mr. G. HARISARVOTTAMA RAO :—" I have almost come to the end of my speech, Sir. Cattle and sheep have decreased, but the Special officer finds some excuse for such a decrease. He says that the figures are not reliable. When the figures cannot serve his purpose he says that the figures are not reliable. He says that the ryot has himself aggravated this decrease, since he continues to waste his resources on the maintenance of useless beasts. I do not know what is meant by this, whether the Special officer reminds us of the Western practice of shooting animals when they are useless. I shall not take up much more time of the House, Sir, but I shall just refer . . ."

* The hon. the PRESIDENT :—" The hon. Member will not be allowed to take up any more time, I am afraid."

* Mr. G. HARISARVOTTAMA RAO :—" I shall just refer to the statistics that he takes from the co-operative societies. There are 523 co-operative societies in Kistna and 406 in Godavari. He refers to the landowners who have debts in these societies. He examines only 75 societies and he says in one group there are 383 debtors out of 535, in another place 482 out of 727, 232 out of 638 in another place and so on. These certainly are not figures that would show that there is a great deal of economic development in this tract. I admit, Sir, that there has been some development. People are there living. They raise their crops and there are improvements. I admit all these but still I say it is the duty of the Government to see that they do not demand

a share of the land when there is no excess. They may demand a share when there is any excess of profit after meeting the ordinary human necessities of the people. He says the irrigation schemes are paying. The Godavari and Kistna delta schemes are now paying and paying well. Therefore the resettlement has to be conducted on quite different lines. The family budgets have to be examined and there should not be any impression that the ryot is being squeezed out of what is absolutely essential for his bare existence. It must be examined from the condition of the lowest ryot who pays revenue and not from the status of the highest man who gets the largest profit in the area. I therefore have pleasure in seconding this motion."

12-15 p.m. * Mr. C. Ramasomayajulu :—" Sir, we are placed under a great disadvantage in dealing with this question. There are no statutory enactments in regard to this land revenue which constitutes the major part of the revenues of the province. I shall illustrate my point by one fact. Formerly, in respect of the resettlements of some districts, it was laid down in one of the Government Orders that in all future settlements the standard price to be taken into consideration should be the lowest price touched in the 20 previous non-famine years. That was the rule laid down. When I interpellated the Government on this matter some time back, the Government said that they had changed this policy since and that they were taking now the *average* for 20 non-famine years. I do not know what actuated the Government to change their policy. Land revenue is an important revenue and it should not be left to the sweet will and pleasure of the executive part of the Government, but must be standardized on the basis of some legislative enactment. If there had been any legislative enactment in the matter, Government would not have changed their ground without going into the merits of the case, as they have done now. This is the root evil—the absence of legislative enactment to regulate the levy of land revenue. With reference to the particular question on hand, namely, the resettlement operations in the East and West Godavari and Kistna districts may I point out that the enquiry must be an open enquiry at which persons concerned may have a chance of being heard and leading evidence—although Government are determined not to be convinced. The recent enquiry has been conducted in a hole and corner fashion; the names of the villages to be taken for examination have not been published, nor the places of enquiry; and no notice was given to the principal persons concerned. Under what headings the facts were collected nobody knew. The enquiry was in the hands of the revenue official, the Settlement officer, and it goes without saying how biassed his conclusions would be. This is inevitable because he has to support the Government point of view. In an enquiry of this sort, in connexion with enhancement of land revenue, it is absolutely necessary that the enquiry must be open and straightward, as it affects 70 per cent of the people who are owners of small lands and whose mainstay is agriculture; and no persons interested shall have reason to complain that it was done in a covert fashion. As I pointed out, nearly 70 per cent of the people are owners of small holdings paying less than Rs. 10. That enquiry has been reduced to 4 or 5 headings. First, the Settlement officer stated that land value had increased from two to five times; secondly, that the rental values had increased from two to three times, that there had been an increase in the material prosperity of the ryots, that cultivation expenses were Rs. 35 per acre, and so on. On the basis of these, the Settlement officer proposed an increase of $18\frac{3}{4}$ per cent.

"With reference to the alleged increase in the income of landholders, I may point out that if an opportunity was given to the people to put their case before the Enquiry officer (people who are holders of small lands and who are most effected), it would have been well and good. Instead of that, having collected his facts at random, he has begun to generalize.

"With reference to the rentals, we do not know what rentals were taken into consideration, and of what villages."

Mr. T. C. SRINIVASA AYYANGAR (from the Chair):—"The hon. Member will soon wind up."

Mr. C. RAMASOMAYAJULU:—"If the people were aware what villages were taken into consideration they would have come forward with valuable information to be placed before the Committee.

"As regards the inflated land values, in this unfortunate country of ours there is absolutely no means by which people can invest their moneys; nor do they have enough to invest. Agriculture is their only avocation, and they must live by land and invest their moneys on cultivation. Government's calculations for arriving at increased rental values are entirely baseless.

"With reference to the indebtedness of the ryots, the Settlement officer has made a mistake in ignoring the only available and possible source of information. Mortgages, and the co-operative societies are his source of information. We know that for fear of income-tax the sowcar never lends money on mortgages. He gives money on pro-notes or on small securities at high rates of interest. The Settlement officer has not taken pains to examine the private accounts of the sowcars which would reveal a very sad state of things. That is the only true source which would give the officer an idea of the indebtedness of the ryots.

"With reference to the material profit, if he had taken into account the general rise in the economic level, he would have made certain deductions before pronouncing in favour of the material prosperty of the ryots.

"One more point. With reference to cultivation expenses, the Settlement officer's report says that in the Samalkote farm, it is Rs. 30 per acre. But most of the landowners are small pattadars and their family budgets should have been examined before arriving at any conclusions. In view of these facts, the Settlement officer's report could not be accepted."

*Mr. A. KALESWARA RAO:—"Mr. President, Sir, in the first place, without introducing a Land Revenue Bill it is highly arbitrary on the part of the executive Government to attempt to increase the land revenue of the country. In spite of the recommendations of the Joint Parliamentary Committee, this Government has not introduced any Land Revenue Bill, though the Reforms themselves came seven years back. Last year, a draft Bill was circulated for public opinion and Government, finding that their Bill would not get through this Council and that all parties would oppose it and would not agree to keep the right of increasing the rates in the hands of the Government dropped the matter altogether. We find that the position of the Government ryots is worse than that of the zamindari ryots. The latter have at least got the Estates Land Act which prevents any enhancement of kist on the part of the zamindars. Once in thirty years, in the name of resettlement,

without doing anything to the ryots for deserving any profits from the income of the ryots, the Government want to take something more. What have they done to deserve any increase of revenue from the ryots? The zamindar will not be entitled to claim anything unless he has done something to improve the yield of the land. If a canal is dug there, the Government comes for water-rate and, if irrigation is extended, the ryots have to pay water-cess and, if cultivation is extended, they have to pay cess. The Settlement officer says that roads have been newly opened a bit although in fact except the Masulipatam-Bezwada Railway line no new lines have been opened during this period. The Masulipatam road has deteriorated. Simply because a railway line has been newly opened, you cannot say that the people are more prosperous. On the other hand, people have learnt to spend more money by travelling often. Government have raised the shutters to 6 feet no doubt, but they have collected inclusion fees at the rate of Rs. 25 per acre on thousands of acres in the Kistna Eastern delta and the Kistna Western delta in spite of the resolution of this Council that the Government should not collect anything in the shape of inclusion fees. The Government, when they collected the inclusion fees and issued a Government Order vetoing the resolution of this Council promised that they would spend the increased income on the improvement of drainage schemes in the deltaic area. Nothing has been done in that direction so far. The report says that there has been no remissions. Of course, the people do not get remissions easily and therefore they do not care to go and dance attendance on the officials asking for remission. It is an extremely difficult matter to get any remission whatever. We know that the Government servants would be in the black list of the Government if they gave remissions or failed to support measures intended to give increased revenue to the Government.

12-30 p.m.

"Now, Sir, something like the farce of an enquiry is said to have been made by the Settlement officer. Of course, it is a confidential matter. Government servants have to make out a strong case for increase of revenue to the Government. If any Government servant says: 'No, this area is indebted. These people have not got very much prosperity and there is no case for the Government to get more revenue.' Naturally that man would be removed from that place. Sir, some villages are said to have been selected for enquiry. Of course, we do not know and the public do not know what enquiries were made. The people themselves do not know what opinions have been formed by the Government officials. Only when we put some questions in the Council, we are given some list showing what villages have been taken for enquiry. That kind of enquiry cannot be satisfactory. We are challenging the Government that no case has been made out for any increase either in the land revenue or in the water-cess. We also say and the resolutions passed at various conferences of ryots say that no real enquiry has been made. The ryots have not very much prospered after all. Behind the apparent contentment there is a lot of discontent and the indebtedness of the ryots has really increased probably due to certain habits of the people, but mainly due to the system of Government. For instance, the people have become more litigious. In deltaic areas they spend more money in going to courts and wasting money. Of course, their wants also have increased. They spend more money for their daily lives. All these things show that the people have not prospered at all. At any rate, prosperity has not increased during the last thirty years and therefore the Government have no claim whatever for

28th November 1928] [Mr. A. Kaleswara Rao]

getting more from the people. They say that the value of land has increased. To that I would say, as pointed out by Mr. Ramasomayajulu, that there being no other investment in this country, all people rush to the lands investing their little savings on the purchase of lands. Naturally there has been an increase in the value of lands. Rents have also increased, the tenants offer higher rents because there is no other occupation except agriculture, all other industries having died out in the country. Therefore if a ryot has merely grass for his cattle, he would be content and would pay off the whole thing to the landholder. That is the position to which the ryots have been reduced.

"The settlement report says that the population has increased. Of course, that is the case. They require more food. The lands also have been subdivided into smaller and smaller holdings. That is no reason why more water-rate should be demanded from these people by the Government. All these show that all these things seem to have been done arbitrarily. Of course, it has become a practice for Government officers to select a particular area once in thirty years and say that the revenue must be increased to a certain extent. In this case it is 18¾ per cent. This figure had been decided upon even before the Settlement party was sent. Everybody thought there will be an increase of 25 per cent. Probably 18¾ per cent was fixed after the famous Tanjore no-tax campaign. Now, the Government seems determined to collect this 18¾ per cent enhancement in our areas. Therefore, Sir, I have very great pleasure in supporting the resolution that an open enquiry should be made."

Mr. M. NARAYANA RAO:—"Sir, I rise to support the motion of my hon. Friend Mr. Bheemayya. This is a very modest request that has been put forward before the Government. We only want an open public enquiry into the economic condition of the tract as a preliminary to the resettlement. The resolution only asks: 'Government be pleased to constitute a committee not less than half of the members of which being elected by this Council. . .' This is a very modest request which the Government, I think, should readily accept. We only want that an impartial enquiry should be made into the economic condition of the ryots. The ryots in general feel, Sir, that the enquiry made by the officer concerned is partial, one-sided and unsatisfactory. That is the opinion expressed by the West Godavari Resettlement Committee on 12th August 1928 and this opinion of the Committee has been forwarded to the Government by my hon. Friend Mr. D. Narayana Raju. The Committee further say that an enquiry by a mixed Committee should be made. The Government later on asked Mr. Narayana Raju to say what the reasons were for characterizing the report of the Settlement officer as casual, one-sided and unsatisfactory. Mr. Narayana Raju in a memorandum has explained all the facts and the circumstances under which an enquiry was again necessary. It is evident that the Settlement officer concerned always had the view of somehow or other enhancing the assessment and showing increased revenue. The natural tendency of an official revising assessments all by himself may well be stated in the words of the Bombay Land Revenue Assessment Committee, 1926, which says: 'Officials are apt to regard the question of assessment too much from the financial point of view and are liable to ignore the real interests of the masses in their not unnatural desire to bring

[Mr. M. Narayana Rao] [28th November 1928

additional revenue into the exchequer'. From this it will be evident that the official concerned will be always naturally inclined to raise the assessment somehow or other. So, I need not say very much about it.

"The economic enquiry which the Settlement officer states that he held in some places was not let known to the people. They neither knew where the enquiry was held nor how it was conducted. Neither the time nor the place of enquiry was known to the people. It appears that some people who knew about it and offered to give evidence were not wanted. The Settlement officer had his own view and his own method of making the enquiry. The ryots therefore had no opportunity to explain the position clearly before the Settlement officer. That is the reason why we say that the enquiry held was casual, one-sided and unsatisfactory.

"In paragraph 38 of the scheme report the Settlement officer says that he examined 1,799 ryots belonging to 71 delta villages and 131 ryots of 8 upland villages, out of 2,800 villages inhabited by $13\frac{1}{2}$ lakhs of people in these three districts and found that 37 per cent of the delta ryots and 40 per cent of the upland ryots are free from debts. Even assuming these figures to be correct, the overwhelming majority in both the delta and upland villages are indebted. So, even if we take the figures furnished by the Settlement officer, the indebtedness of the ryots is extremely large. But I do not think the enquiry into the economic condition of the ryots can be said to be true from the statement of the officer concerned. He only seems to have examined the accounts of some co-operative societies, some mortgage deeds and other things from the Registrar's office. The ryots generally borrow in different ways. As explained by my hon. Friend, they borrow from *kathas* and other things.

12-45 p.m. "I know that these ryots generally borrow their monies on account with the capitalists and when the amount becomes very large it is the capitalist that forces the ryot to give him surety by means of mortgage bonds or some such thing. When the ryot is thus forced he gives mortgage bond by going to Registrar's office. If you will look into the mortgage bonds that have been executed by some of the ryots you will find that they have borrowed more monies than they are capable of. So, the figures collected from this data, viz., up to what extent the ryots have become indebted by going to Registrars' offices and mortgaging their property with the capitalists cannot be said to be correct. The ryots have incurred debts in other ways also, viz., by taking money from capitalists on account and also by some other means. So, if you will take into consideration all these factors and have a thorough enquiry made, it will prove that the report of the Settlement officer is not correct and many more additions will have to be made to the ryots' indebtedness. The Settlement officer proceeds to determine his data by fixing 28 per cent for the purchase of cattle and other implements, 24 per cent for cultivation expenses, 8 per cent for liquidation, 14 per cent for marriage expenses, 10 per cent for family expenses and so on. Similarly, he fixes the data for the upland villages also. We do not know on what materials these percentages are fixed, as he has not given out any detail. Moreover, the ryots whom he has examined could not possibly have given out their true economic condition because giving out one's own economic condition especially when one is indebted is rather a bar for his social status among his own country-men. Under these circumstances, you cannot expect the economic enquiry that has been made to be correct at all.

28th November 1928] [Mr. M. Narayana Rao]

"The cost of wages, cattle and manure, the officer concerned estimates at 150 per cent. I estimate it at much more than that. I estimate it at something like 400 per cent. The Settlement officer seems to have taken some pains in getting these figures. He has not taken the pain of examining the records that are maintained in the Cocanada Agricultural Farm which is worked by Government capital. According to what Mr. Prakasam has given in his *Swarajya* paper we find that the expenses for agriculture are much more than what the Special Settlement officer has given in his report. We worked out from the figures of the Cocanada Agricultural Farm. They are much more than what the Settlement officer himself admits. If we go into the health and morality of the people of these districts which has a great bearing on the economic condition of the people, it would have been better for us if the Settlement officer had spoken of their last year's condition. But he preferred otherwise. From 1926–27 excepting Madras, in the districts of Kistna and Godavari we find the highest death rate. For every 1,000 births about 250 infants died. In this connexion I would like to draw the attention of the hon. the Revenue Member to a paragraph written in the Agricultural Commission's report. This is what it says:—

'The close relations between agriculture and public health are obvious and they react upon each other to a remarkable degree. There is no direction in which the rural community needs help more than in the provision of medical facilities and public health amenities. Economic wastage due to disease cannot be over-exaggerated. Malaria slays its thousands and lowers the economic efficiency of hundreds of thousands; plague and cholera sweep the country from time to time; hookworm disease, kala-azar and diseases arising from diet deficiency insidiously reduce the labour power of the cultivating classes.'

"I beg to bring to the notice of the hon. the Revenue Member the above remarks. So taking all these into consideration the ryot population thinks that the enquiry held by the Special Settlement officer is one-sided and unsatisfactory."

(At this stage the bell rang and the hon. Member closed his speech.)

* Mr. K. V. R. SWAMI:—"Mr. President, no doubt we question the right and authority of the Government to have any resettlement whatsoever. The principle on which this theory is based is that the land always belongs to the ryot. But the Government think that it belongs to the State. The present Government has stepped into the shoes of the old Government and the old Government never had any right at all to the land. Any Government has only the right to collect tax to carry on the Government and also to protect the people entrusted to their charge. Now, it is well known to you, Mr. Chairman, that the ryot was there even before this Government had stepped in, even centuries and centuries before. Governments might come and go, but the ryot is there cultivating his little bit of land, improving it from generation to generation and its present improved state is due to his exertions and the money and labour spent on it. The resolution that has been moved by my hon. Friend Mr. Bheemayya takes cognizance of the fact that the Government is the owner of the land and simply asks for a remedy. In making resettlements taking the situation as it is, who is to enquire into the matter? The Government have got their own subordinates and they went into the matter as fully as they could, as any

[Mr. K. V. R. Swami] [28th November 1928

court would go into a case when it is an ex-parte case. Under those circumstances they cannot have more information than what they have at present. They wanted to have their own enquiry without the help or assistance of the people or their representatives. They have gone from village to village, made certain enquiries and submitted their scheme report. What we ask the Government is not to go into the question whether the State has got a right to tax the people on the basis that the land belongs to the State, but to see that a thorough enquiry is made by an independent body where the representatives of Government may also take part. The resolution also proposes that a portion of this committee should consist of the elected members of this House and certain other nominated members of the Government also. By the previous speakers it has been stated fully that the present report does not bear any scrutiny and it seems to be a made-up thing. The reasons that are given for the enhancement perhaps in the scheme report are these. The first and foremost, as it appears to the officer in charge, seems to be the increase in the population by 15 and 22 per cent in the East Godavari and Kistna districts and so there should be an enhancement. That seems to be the idea of the scheme report. If the population increases, we must increase the revenue. That seems to be one of the reasons for proposing the enhancement of revenue. I submit that this factor should not be taken into consideration. If at all it is taken into consideration, it goes against the Government rather than in favour of the Government. As the number of people has increased, the ryots will require more money for maintaining the increased population and so it would be just if they are asked to pay a lesser revenue than what they have hitherto been paying. The scheme report says 'trade and commerce have developed.' True, but it is the merchant that derives any benefit out of it. The ryot does not derive any benefit from the development of trade and commerce. On account of the development of trade and commerce, Government are having their full share by way of income-tax and other taxes. Then the scheme report says 'Communications have improved.' That also they urge as another ground for enhancing the present rate. That is not a ground at all. The fourth ground is that people spend more monies upon luxuries now, and so we want to have a share of that. If people are spending more monies now, then it shows that their requirements have increased and that should be a reason for not enhancing the tax. Then the fifth ground that has been given is that the holdings have increased. But the report does not give the total. The report itself admits that the present holdings in East Godavari are only six acres each and in Kistna it is about seven acres. That is the extent of each holding, but each holding belongs to a family which may consist of five persons on the average. The scheme report thinks this as too much and so the Government must have an enhancement in revenue. Another benefit that is conferred by this Government on the ryots and of which they want to take advantage, is that there is no variation in the season and the coercive process adopted for collecting tax has affected only a very small fraction of the revenue. So what the scheme report says is 'there are no variations in the seasons, so you must pay more; we have not employed coercive process on an extensive scale, so you must pay more.' That is the sixth reason they give. The seventh reason they give is that the economic condition of the agricultural classes is sounder than before. 'You seem to be richer than before, why don't you pay more', that seems to be the seventh reason. The scheme report itself admits that taking a group of villages it was found that the indebtedness of the ryots according to the records

28th November 1928] [Mr. K. V. R. Swami]

available in the Sub-Registrar's offices was to the extent of 7 lakhs in 1902, i.e., twenty-five years ago. What is it now? It is 13 lakhs. So the indebtedness has nearly doubled. Even then the scheme report thinks that the economic condition of the people is sounder. Perhaps it is the other way. The land value has gone up from two to five times the original value, and so the scheme report says that the increased land value is due to the increased income from the land and so you must pay more tax. I submit, Sir, that the value paid for the land is absolutely disproportionate to the income that is derived from it. The scheme report also admits that the ryot has got a 'land hunger', and so he is prepared to pay more price for land than what he originally paid. People must invest their monies somewhere and the ryots as a rule invest their monies in lands lest they should lose their monies altogether if they were to invest in other undertakings. We saw the illustration only the other day as to what happened with regard to the Carnatic Paper Mills Company, Limited. If people invest their monies in industrial enterprises, Government will see that people lose their monies in such enterprises. So far as ryots are concerned, they think that investment in lands is the only safest investment and so they always go in for lands whatever might be the price they have to pay in competition with others.

"Under these circumstances the scheme report says that the Government should have a share of it and calls this increase an unearned increment. I do not know how this is an unearned increment. The ryots work on their lands day in and day out; they invest all their money in making improvements to the land and this has been going on from generation to generation. Perhaps he is thinking of the landed property in England where the value of the land which is lying waste increases year after year and the owners of the land get a large value after a certain number of years. That is an unearned increment because the owner of the land does not invest any money to improve the land but simply keeps it as it is. All the reasons given by the scheme report should be enquired into. What the Government officers say is only an one-sided view. The ryots' view also should be taken into consideration and they should be allowed to state their views. The scheme report says that the expenses of cultivation amount to Rs. 35 per acre, while the same report admits that the Government spend about Rs. 50 to Rs. 60 per acre at Samalkot on their farm. Thus we can see how the Government Officer's report is not a correct one. The resolution now under consideration is a very modest one and it asks only for an independent enquiry. I hope the hon. the Revenue Member, who is always sympathetic would accept it." 1 p.m

* Rao Bahadur Sir A. P. Patro :—"Sir, there will be no difference of opinion as regards the essential aim and object of this resolution, viz., the relief of the distress among the ryots and the improvement of their economic condition. But difference arises in the method of achieving the object. Everyone who has been in touch with the social and economic condition of the ryot will certainly agree that we should improve their condition; but is the appointment of a mixed committee the means of achieving that object? Mixed committees have become a very pleasant pastime in certain sections of the House. Past experience shows that these mixed committees have not been able to achieve any substantial results."

Mr. S. Satyamurti :—"What about the Simon Committee; will they be able to achieve anything?"

* Rao Bahadur Sir A. P. PATRO :—" Therefore in a discussion of this matter we should see what is the sane and sound method ; it is not passion or fire-works that will enable us to help the ryot in his economic distress. Hard facts alone would be of use,not pyro-technics for the purpose of beach oratory and advertisement in the platform. (Mr. S. Satyamurti : 'To impress upon Sir John Simon.') We have to see very carefully whether the present land tax is such as to be the main cause of the economic distress of the ryot. That is the question that we have to consider. But we see here that the benches of the Nationalist, Swarajist, Congress and other parties are so thin showing thereby what little interest they take in this all-important question of the improvement of the economic condition of the ryot.

" We have to consider whether this incidence of land revenue is the main cause of the low production of the ryot. Again is the land revenue the cause of excessive fragmentation ; is it again the cause of the unequal distribution of the incidence of taxation ? These symptoms are noticeable not only in Godavari and Kistna districts but all over the province. There should therefore be a comprehensive enquiry in regard to the relief of agricultural distress all over the province. The symptoms that we find are general and universal but not particular to these three districts. I would therefore gladly agree to a comprehensive enquiry into the question whether throughout the province the incidence of land tax has been the cause of the heavy indebtedness of the ryot, the excessive fragmentation of the holdings and the low productivity of the soil. These are general questions of universal applicability to all the ryots of the Presidency. A scheme report for these two districts was published. We know that there will be a resettlement in these districts ; in spite of that we have not moved our little finger in the direction of making an economic enquiry into the condition of the ryots of these districts. We have no materials on the non-official side to challenge the details of the official report published by the Settlement Officer. What steps have we taken to ascertain the conditions ourselves without any official help and challenge the facts stated by the Government ? Not having done anything for the past twelve months, to ask for the appointment of a mixed committee now will not show sincerity. Government have been able to collect all their facts and have their official report popularized and they have stolen a march over us. What have we now to combat the position taken by the Government and overcome the insurmountable difficulties ? Our own negligence is responsible. If we had started work a year or six months before the operations began things would have been a bit easier. But there is a motive underlying this resolution. The Mover of the resolution and his supporters know they will never be at a disadvantage. For if the motion is carried they will say, 'We have been able to achieve this' ; because they know that 18¾ per cent cannot be exceeded. On the other hand, if others say that we don't want a committee of this kind and if the motion is lost they would prejudice the mind of the ryot and say, 'We have tried our best, but the other Opposition has defeated us.' It is only for this tactical purpose but not with the real object of helping the ryot to improve his economic prospects that this question seems to have been brought forward. For, if otherwise, a more comprehensive enquiry into the condition of all the ryots and the effect of the incidence of land tax should have been made. I am not opposed to having an enquiry into the condition of the ryot ; but what I say is that the way in which this motion is proposed asking that the resettlement

28th November 1928] [Sir A. P. Patro]

should be stopped and that a mixed committee should be appointed shows that the resolution will not achieve the object in view. What is the committee to do, I ask? I shall take leave of the House to show what we have been able to do in the course of two years regarding the economic survey of my district. You have to visit village after village and map out and study the various conditions prevailing there. You will have to go to the taluks and study the question with reference to the markets, the loan conditions, the irrigation sources and the pasture lands. Then you will have to call the ryots and ask them to give evidence. I know how difficult it was to collect the facts in my district. We had to go to the ryots and explain to them that we had come there to help them, pay them one visit and then a second visit, inspire some confidence in them and collect the information. All this was ten years ago. But now if we approach them in the disturbed condition, they will be very suspicious and will not come forward to give any reliable information. We should have done all this without any official help; if an official is put on the committee, certainly the people will be very suspicious. They would think that the official has come to know the real condition of things and would raise land tax. But if we do it ourselves the people will have confidence in us and will come forward to give us some kind of evidence. But I do not think that this mixed committee will help to achieve the object in view, viz., the improvement of the economic condition of the ryot. To achieve that object a more comprehensive enquiry should be made. While therefore I do not oppose the resolution, I am unable to see it will have any beneficial effect on the ryot."

Mr. B. Venkataratnam spoke in Telugu.

Mr. J. A. SALDANHA :—" Mr. President, Sir, I have to say a few words on this subject. Resettlement is going on in our district of South Kanara. We have started an association called the Landowners Association and we passed a resolution the other day that justice should be done to us. Primarily, justice should be done on the principle that there shall be no resettlement of any district without the consent of this House. That is one of the resolutions the Landowners Association has passed." 1-15 p.m.

* The hon. the PRESIDENT :—" I think the hon. Member is not confining himself to the terms of the resolution."

Mr. J. A. SALDANHA :—" The principle for which we stand is . . ."

* The hon. the PRESIDENT :—" I request the hon. Member not to expound his principles but to confine himself to the terms of the resolution."

Mr. J. A. SALDANHA :—" The present resolution says that an enquiry should be made by a committee consisting of officials and non-officials, six non-officials being elected by this House. It only carries out to a limited extent . . ."

* The hon. the PRESIDENT :—" Perhaps the hon. Member has given notice of some other resolution. I do not find anything about six members in this resolution."

Mr. J. A. SALDANHA :—" What I said was that the majority of the members of the committee should be elected by this House. The motion before the House carries out only to a limited extent the resolution passed by this House that there should be no increase of land revenue without the consent

[Mr. J. A. Saldanha] [28th November 1928

of this House. It is but fair on a general principle that this committee should be appointed to enquire into the economic condition and settle at what rate the incidence of taxation should be increased. I therefore heartily sympathise with the object of this resolution. The speech of the hon. Member, Sir A. P. Patro, struck me as very strange, having regard to the fact that he and his party have again and again joined the whole House in re-affirming that important principle that the consent of the House should be taken before the rate of increase is settled. It is very strange that he should oppose this resolution. In the interests of the universal application of the principle of this resolution to the whole Presidency I hope this House will support it, every one at least of the elected members. This is a very important principle. We only ask in a very modest way for the re-affirmation of the principle which this House has adopted more than once during these six years."

* The hon. the PRESIDENT :—" The House will now adjourn and re-assemble at 2-30 p.m."

(For further debate on this resolution please see page 353 infra.)

After Lunch (2-30 p.m.).

IV

ADJOURNMENT MOTION *RE* THE APPOINTMENT OF MR. NATARAJAN TO WATCH THE CARNATIC PAPER MILLS.

* Mr. SAMI VENKATACHALAM CHETTI :—" Mr. President, Sir, I move—

'*that the business of the House do stand adjourned, to discuss a definite matter of urgent public importance, namely, the question of the employment of Mr. Natarajan on Rs. 650 per mensem for merely watching the machinery and buildings of the Carnatic Paper Mills.*'

" The manner in which the Government have managed to take possession of the Carnatic Paper Mills is a continuous series of muddles. The Government have made a parade of their abundant solicitude for the rate-payers' money in justifying their action in taking possession of these mills from the hands of the directors of the company. It is well within the memory of the hon. Members of this House that this indigenous undertaking was the first of its kind in which a large amount of public money has been invested. After the State Aid to Industries Act was passed, the management of this Carnatic Paper Mills Company approached the Government, thinking that the intentions of the State Aid to Industries Act would be honestly fulfilled by the Government. The Government no doubt lent a helping hand to this company in the beginning. But never did they do it in any graceful manner. At every step, there was a spirit of suspicion as to the successful working of these mills. Lakhs of money might be spent in spite of the protests of persons competent to speak on the Russellkonda Saw Mills ; but yet, if we on this side of the House should ask the Government to give an indigenous concern like the Carnatic Paper Mills some amount of money, not on purely business lines, but with a spirit of sympathy, all concern for the tax-payers' money rises up in the hearts of those men filling the Treasury Bench. The Ministers who happened to be in charge of the Industries Department may in their heart of hearts be sympathetic towards such a concern, but I know they are being pulled by the Reserved side, especially the Finance Department, not to transgress what they consider to be . . ."

* The hon. the PRESIDENT :—" I am afraid the hon. Member is making too long a prelude to the subject matter now under consideration."